

AMENDMENTS TO THE MUTUAL DEFENSE ASSISTANCE
CONTROL ACT OF 1951

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Mr. KENNEDY, from the Committee on Foreign Relations, submitted
the following

REPORT

[To accompany S. 1697]

The Committee on Foreign Relations, having had under consideration the bill (S. 1697) to amend the Mutual Defense Assistance Control Act of 1951, reports S. 1697 favorably and recommends that it pass.

1. PURPOSE OF THE BILL

S. 1697 would amend the Mutual Defense Assistance Control Act of 1951 (the so-called Battle Act) to strengthen U.S. policy toward the Communist bloc and to encourage and help Soviet-dominated countries to loosen their bonds by making it legally possible to furnish economic and financial assistance (not military aid) to any nation or area, except the Union of Soviet Socialist Republics and Communist-held areas of the Far East, whenever the President determines that such assistance is important to the security of the United States.

2. BACKGROUND

S. 1697 was introduced on April 15, 1959, by Senator Kennedy and Senator Aiken. It had been submitted to the Senate by the Acting Secretary of State on April 7 and was referred to the Committee on Foreign Relations.

The present bill is similar in intent to the so-called Kennedy amendment to the Battle Act which was contained in the proposed Mutual Security Act of 1958 as reported to the Senate by the Committee on Foreign Relations and was rejected on June 5, 1958, by a vote of 43 yeas to 42 nays.

The administration supported the Kennedy amendment last year until shortly before it was brought to a vote. During the debate, the

minority leader, Senator Knowland, stated that the administration favored a bill to amend the Battle Act separate from the mutual security bill.

There are several differences, but not ones of substance, between S. 1697 and the Kennedy amendment of last year. S. 1697 amends section 102 of the Mutual Defense Assistance Control Act of 1951, to permit the President to assign responsibility for administering the act to the Secretary of State or such other officer as the President may designate. This is an administrative change recommended by the Department of State, and merely provides legal recognition of the existing situation.

The definition of those nations which cannot be given economic and financial assistance under the act has been altered from "the Union of Soviet Socialist Republics, Communist China, and North Korea," contained in the 1958 amendment to "the Union of Soviet Socialist Republics and Communist-held areas of the Far East" in S. 1697.

Finally, S. 1697 authorizes the President to furnish economic and financial assistance to any area or nation except those categorically denied aid, as mentioned above, if he determines that such assistance "is important to the security of the United States." The 1958 amendment had stated three very broad criteria which would guide the President in his determination as to whether assistance to a nation would "strengthen the security of the United States."

In view of the extensive consideration given to this subject last year the committee considered S. 1697 in executive session on June 10, 1959, and ordered the bill favorably reported.

3. POLICY CONSIDERATIONS

The Mutual Defense Assistance Control Act became law on October 26, 1951. It has never been amended. While there had been considerable sentiment for such a law before 1951, the immediate stimulus for this legislation came from the Korean war and the circumstances surrounding it. At a time when the United States was engaged in military conflict with Communist countries, there was strong feeling against trading between our allies and such countries in any items which might have a strategic value.

The Battle Act was an important defensive measure intended to deny supplies to our military opponents. Since items shipped to any nation under the influence of the Soviet Union could eventually be of some military use to our opponents, the Battle Act made no distinction among the countries in the Communist bloc.

Indeed, in 1951, the worst of the Stalinist period, this division of the world into two absolute categories—those nations under the domination of the Soviet Union and those not—may well have reflected the prevailing situation.

There have been a number of significant developments in the last 8 years, however, which have had a fragmenting effect upon the monolithic facade of the Communist bloc. Communist China has emerged as a significant power within the bloc. The explosion in Hungary in the fall of 1956, when the Soviet Union had to employ its military forces to put down a spontaneous popular rebellion against its rule, clearly demonstrated the ineffectiveness of Communist indoctrination among the people of Eastern Europe and manifested

a deep national resentment against alien rule. The hostility of the Polish people toward the Soviet Union which resulted in the Gomulka regime in 1956 was also a manifestation of fissures in the bloc. While, under Gomulka, Poland has followed a more independent course than other Eastern European countries, the regime is no less a Communist one. Moscow has apparently been unable to wipe out many features in Poland which it must find very annoying.

On the basis of the history of the past 8 years, it is clear that there is not a sameness, a oneness about every Communist country. Popular feelings, national pride, economic considerations, geographic location, the degree of ideological indoctrination, and the extent of contact with the West are some of the factors that differentiate the various Communist nations.

Today, as in 1951, the Battle Act is still a necessary defensive measure to deny strategic items to the Communist bloc. In its present form, however, it unduly restricts the ability of the United States to take useful actions in the complex struggle with world communism. The Soviet Union has many problems in keeping the bloc together; but, at present it need not worry seriously that the United States will compound them by offering assistance to any nation wanting to loosen its bonds with Moscow. At a time when the West is vitally concerned about Soviet efforts to economically penetrate nations in the free world, the Battle Act, in its present form, deprives our foreign policy of this important economic weapon.

The United States is spending large sums of money to make contact (indirectly) with the peoples of Eastern Europe by, for example, our oversea information program. However, the Government is legally unable (except for the limited avenue open to the President through his extraordinary powers under the Mutual Security Act of 1954) to employ economic assistance, a potentially fruitful means of influencing developments within the Soviet bloc.

As an argument against this amendment, it has been asserted that by granting assistance to a country governed by a Communist regime we shall only aid that regime and discourage the non-Communist population. This is a double-edged argument, for it is most probable that in certain circumstances, the absence of support from the free world in a nation's attempt to loosen its bonds from Moscow would convince the people of the futility of the effort. Aid to Communist satellites in many circumstances is inappropriate, but it is a vital requisite of our foreign policy that the President be in a position to assist a nation in its efforts to gain political, economic, and social freedom when such assistance is important to the security of the United States. As evidenced by the Hungarian rebellion of 1956, events can move rapidly in the Communist bloc, and the United States must be prepared to take appropriate action.

4. WHAT THE BILL DOES

This bill provides no money for assistance to any nation, nor does it direct or urge the President to provide aid to any nation. It simply makes a change in the Battle Act allowing the President to extend economic and financial assistance to certain Communist satellite nations if he deems it important to the national security. In no case does it allow the furnishing of military equipment.

Section 303 of the act is amended to provide, in subsection (a), that when the President determines that economic or financial assistance to any nation or area, except the Union of Soviet Socialist Republics and Communist-held areas of the Far East, is important to the security of the United States, the other provisions of the Battle Act shall not be a bar to such assistance. The amendment requires the President to report immediately any determination made pursuant to this new subsection to appropriate committees of the Congress.

New section 303(b) deals with the treatment to be accorded nations of the free world which trade with nations receiving economic or financial assistance from the United States pursuant to subsection 303(a) discussed above. Under existing law all military, economic, or financial assistance to a free nation must be cut off if it makes shipments of items of strategic significance—other than arms, ammunition, implements of war, and atomic energy materials—to nations under the domination of the Soviet Union; provided that the President can continue assistance to free nations under such circumstances if he determines that cessation of aid to such free nations would be detrimental to the security of the United States. New section 303(b) would permit the Administrator of the Battle Act to make a similar determination in the case of shipments by free nations of strategic items—other than arms, ammunitions, implements of war, and atomic energy materials—to any nation receiving economic or financial assistance pursuant to subsection (a). The committee expects that the Administrator will report to appropriate committees of Congress when he takes such action.

The committee is, of course, aware of the fact that some assistance has been extended to Poland through the President's use of his special authority under section 451 of the Mutual Security Act of 1954, as amended. However, the restrictions and limitations on the type of aid and the methods of providing it have hindered its most effective use. This amendment to the Battle Act would permit a rapid and flexible application of assistance, such as through Export-Import Bank loans or loans of local currency proceeds from sales of surplus agricultural commodities under Public Law 480, whenever an opportune situation arose. It would also have a beneficial psychological effect on any nation which desires to gain more independence and freedom, for it would know that the U.S. Government was in a legal position to help out.

5. COMMITTEE RECOMMENDATION

The committee is fully aware of the importance of the policy change which underlies the proposed amendment to the Battle Act. It believes that any risks involved in the enactment of this bill will be far outweighed by the opportunities it opens to assist Communist-dominated nations peacefully to gain greater independence of action. The committee urges the approval of the bill by the Senate.

MUTUAL DEFENSE ASSISTANCE CONTROL ACT OF 1951, AS AMENDED
BY S. 1697 (CORDON RULE PRINT)

AN ACT To provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Defense Assistance Control Act of 1951."

TITLE I—WAR MATERIALS

SEC. 101. The Congress of the United States, recognizing that in a world threatened by aggression the United States can best preserve and maintain peace by developing maximum national strength and by utilizing all of its resources in cooperation with other free nations, hereby declares it to be the policy of the United States to apply an embargo on the shipments of arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, in order to (1) increase the national strength of the United States and of the cooperating nations; (2) impede the ability of nations threatening the security of the United States to conduct military operations; and (3) to assist the people of the nations under the domination of foreign aggressors to reestablish their freedom.

It is further declared to be the policy of the United States that no military, economic, or financial assistance shall be supplied to any nation unless it applies an embargo on such shipments to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

This Act shall be administered in such a way as to bring about the fullest support for any resolution of the General Assembly of the United Nations, supported by the United States, to prevent the shipment of certain commodities to areas under the control of governments engaged in hostilities in defiance of the United Nations.

SEC. 102. [Responsibility for giving effect to the purposes of this Act shall be vested in the person occupying the senior position authorized by subsection (e) of section 406 of the Mutual Defense Assistance Act of 1949, as amended, or in any person who may hereafter be charged with principal responsibility for the administration of the provisions of the Mutual Defense Assistance Act of 1949. Such person is hereinafter referred to as the "Administrator." *Responsibility for giving effect to the purposes of this Act shall be vested in the Secretary of State or such other officer as the President may designate, hereinafter referred to as the "Administrator".*

SEC. 103. (a) The Administrator is hereby authorized and directed to determine within thirty days after enactment of this Act after full and complete consideration of the views of the Departments of State, Defense, and Commerce; the Economic Cooperation Administration;

and any other appropriate agencies, and notwithstanding the provisions of any other law, which items are, for the purpose of this Act, arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and those items of primary strategic significance used in the production of arms, ammunition, and implements of war which should be embargoed to effectuate the purposes of this Act: *Provided*, That such determinations shall be continuously adjusted to current conditions on the basis of investigation and consultation, and that all nations receiving United States military, economic, or financial assistance shall be kept informed of such determinations.

(b) All military, economic, or financial assistance to any nation shall, upon the recommendation of the Administrator, be terminated forthwith if such nation after sixty days from the date of a determination under section 103 (a) knowingly permits the shipment to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, of any item which he has determined under section 103 (a) after a full and complete investigation to be included in any of the following categories: Arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war: *Provided*, That the President after receiving the advice of the Administrator and after taking into account the contribution of such country to the mutual security of the free world, the importance of such assistance to the security of the United States, the strategic importance of imports received from countries of the Soviet bloc, and the adequacy of such country's controls over the export to the Soviet bloc of items of strategic importance, may direct the continuance of such assistance to a country which permits shipments of items other than arms, ammunition, implements of war, and atomic energy materials when unusual circumstances indicate that the cessation of aid would clearly be detrimental to the security of the United States: *Provided further*, That the President shall immediately report any determination made pursuant to the first proviso of this section with reasons therefor to the Appropriations and Armed Services Committees of the Senate and of the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives, and the President shall at least once each quarter review all determinations made previously and shall report his conclusions to the foregoing committees of the House and Senate, which reports shall contain an analysis of the trade with the Soviet bloc of countries for which determinations have been made.

SEC. 104. Whenever military, economic, or financial assistance has been terminated as provided in this Act, such assistance can be resumed only upon determination by the President that adequate measures have been taken by the nation concerned to assure full compliance with the provisions of this Act.

SEC. 105. For the purpose of this Act the term "assistance" does not include activities carried on for the purpose of facilitating the procurement of materials in which the United States is deficient.

TITLE II—OTHER MATERIALS

SEC. 201. The Congress of the United States further declares it to be the policy of the United States to regulate the export of commodities other than those specified in title I of this Act to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, in order to strengthen the United States and other cooperating nations of the free world and to oppose and offset by nonmilitary action acts which threaten the security of the United States and the peace of the world.

SEC. 202. The United States shall negotiate with any country receiving military, economic, or financial assistance arrangements for the recipient country to undertake a program for controlling exports of items not subject to embargo under title I of this Act, but which in the judgment of the Administrator should be controlled to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

SEC. 203. All military, economic, and financial assistance shall be terminated when the President determines that the recipient country (1) is not effectively cooperating with the United States pursuant to this title, or (2) is failing to furnish to the United States information sufficient for the President to determine that the recipient country is effectively cooperating with the United States.

TITLE III—GENERAL PROVISIONS

SEC. 301. All other nations (those not receiving United States military, economic, or financial assistance) shall be invited by the President to cooperate jointly in a group or groups or on an individual basis in controlling the export of the commodities referred to in title I and title II of this Act to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

SEC. 302. The Administrator with regard to all titles of this Act shall—

(a) coordinate those activities of the various United States departments and agencies which are concerned with security controls over exports from other countries;

(b) make a continuing study of the administration of export control measures undertaken by foreign governments in accordance with the provisions of this Act, and shall report to the Congress from time to time but not less than once every six months recommending action where appropriate; and

(c) make available technical advice and assistance on export control procedures to any nation desiring such cooperation.

SEC. 303. [The provisions of subsection (a) of section 403, of section 404, and of subsections (c) and (d) of section 406 of the Mutual Defense Assistant Act of 1949 (Public Law 329, 81st Congress) as amended, insofar as they are consistent with this Act, shall be applicable to this Act. Funds made available for the Mutual Defense Assistance Act of 1949, as amended, shall be available for carrying out this Act in such amounts as the President shall direct.] (a) *This*

Act shall not be deemed to prohibit furnishing economic and financial assistance to any nation or area, except the Union of Soviet Socialist Republics and Communist-held areas of the Far East, whenever the President determines that such assistance is important to the security of the United States: Provided, That, after termination of assistance to any nation as provided in sections 103(b) and 203 of this Act, assistance shall be resumed to such nation only in accordance with section 104 of this Act. The President shall immediately report any determination made pursuant to this subsection with reasons therefor to the Committees on Foreign Relations, Appropriations, and Armed Services of the Senate and the Speaker of the House of Representatives.

(b) The Administrator may, notwithstanding the requirements of the first proviso of section 103(b) of this Act, direct the continuance of assistance to a country which knowingly permits shipments of items other than arms, ammunition, implements of war, and atomic energy materials to any nation or area receiving economic or financial assistance pursuant to a determination made under section 303(a) of this Act.

SEC. 304. In every recipient country where local currency is made available for local currency expenses of the United States in connection with assistance furnished by the United States, the local currency administrative and operating expenses incurred in the administration of this Act shall be charged to such local currency funds to the extent available.

SEC. 305. Subsection (d) of section 117 of the Foreign Assistance Act of 1948 (Public Law 472, Eightieth Congress), as amended, and subsection (a) of section 1302 of the Third Supplemental Appropriation Act, 1951 (Public Law 45, 82d Congress), are repealed.

APPENDIXES

APPENDIX I

LETTER FROM DEPARTMENT OF STATE RECOMMENDING A BILL (S. 1697)

DEPARTMENT OF STATE,
Washington, April 6, 1959.

The VICE PRESIDENT,
U.S. Senate.

DEAR MR. VICE PRESIDENT: The enclosed draft bill to amend the Mutual Defense Assistance Control Act of 1951 is submitted to carry out the recommendation of the President in his budget message of December 22, 1958, for legislation "to revise requirements on eligibility of countries for aid and thus provide the necessary additional flexibility to help nations that are resisting Soviet domination." The Mutual Defense Assistance Control Act generally prohibits the furnishing by the U.S. Government of military, economic, or financial assistance to nations which knowingly permit the shipment of strategic materials to any nation or combination of nations threatening the security of the United States, including the Soviet Union and all countries under its domination.

The bill would change the Mutual Defense Assistance Control Act of 1951 in two respects. First, it makes a technical change in the administrative provisions of the act to conform to the existing situation resulting from legislation and Executive orders since 1951.

Second, it amends section 303 of the act to permit greater flexibility in providing economic and financial assistance to nations or areas other than the Soviet Union and Communist-held areas of the Far East. The amendment of this section of the act contains the substance of the amendment to the mutual security bill reported by the Senate Committee on Foreign Relations during the 2d session of the 85th Congress. It would permit, when determined by the President that it is important to the national security, the furnishing to certain countries of types of economic and financial assistance which cannot now be furnished, such as Export-Import Bank loans and loans of local currency accruing to the United States from the sale of surplus agricultural commodities. Such flexibility is desirable in the conduct of the foreign relations of the United States, since it will enable the U.S. Government to act more effectively and economically when economic or financial assistance to such nations is in the national interest.

Sincerely yours,

CHRISTIAN HERTER, *Acting Secretary.*

Enclosures: (1) Draft bill; (2) section-by-section analysis.

A BILL To amend the Mutual Defense Assistance Control Act of 1951

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 of title I of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611a) is amended to read as follows:

"SEC. 102. Responsibility for giving effect to the purposes of this Act shall be vested in the Secretary of State or such other officer as the President may designate, hereinafter referred to as the 'Administrator.' "

SEC. 2. Section 303 of title III of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1613b) is amended to read as follows:

"SEC. 303. (a) This Act shall not be deemed to prohibit furnishing economic and financial assistance to any nation or area, except the Union of Soviet Socialist Republics and Communist-held areas of the Far East, whenever the President determines that such assistance is important to the security of the United States; *Provided*, That, after termination of assistance to any nation as provided in sections 103(b) and 203 of this Act, assistance shall be resumed to such nation only in accordance with section 104 of this Act. The President shall immediately report any determination made pursuant to this subsection with reasons therefor to the Committees on Foreign Relations, Appropriations, and Armed Services of the Senate and the Speaker of the House of Representatives.

"(b) The Administrator may, notwithstanding the requirements of the first proviso of section 103(b) of this Act, direct the continuance of assistance to a country which knowingly permits shipments of items other than arms, ammunition, implements of war, and atomic energy materials to any nation or area receiving economic or financial assistance pursuant to a determination made under section 303(a) of this Act."

SECTION-BY-SECTION ANALYSIS OF PROPOSED AMENDMENTS TO THE
MUTUAL DEFENSE ASSISTANCE CONTROL ACT OF 1951

Section 1

Section 102 of the act is amended by deleting the obsolete references to the Administrator of the Mutual Defense Assistance Act of 1949, as amended, which was specifically repealed by the Mutual Security Act of 1954, and by providing that the Administrator of the act shall be either the Secretary of State, as is presently the case, or such other officer as the President may designate. The reference to such other officer as the President may designate is included in order to avoid the need to amend the act in case it is determined that an officer other than the Secretary of State should be the Administrator of the act.

Section 2

The present language of section 303 consists of obsolete provisions for financing the administration of the act out of appropriations for the Mutual Defense Assistance Act of 1949, as amended, which was specifically repealed by the Mutual Security Act of 1954. Section 410 of the Mutual Security Act of 1954, as amended, presently authorizes appropriations for the administration of the act.

In place of the present obsolete language of section 303, new language is substituted which contains the substance of the amendment recommended by the Senate Committee on Foreign Relations during the 2d session of the 85th Congress to the mutual security bill. Section 303(a) permits the furnishing of economic and financial, but not military, assistance to any nation or area, other than the Soviet Union and Communist-held areas of the Far East, which exports category A items (arms, ammunition, implements of war, atomic energy materials) contrary to section 103(b), or which exports category B items (items of primary strategic significance used in the production of arms, ammunition, and implements of war) to the Sino-Soviet bloc, upon the President's determination that such assistance is important to the security of the United States. In addition, section 303(a) permits the furnishing of such assistance to a country which is neither effectively cooperating with, nor furnishing sufficient information to, the United States as required by section 203. A proviso is included, however, which has the effect of prohibiting the use of the authority in section 303(a) to resume economic or financial assistance to a nation to which assistance has been terminated under either section 103(b) or section 203, and permits resumption of assistance to such a nation only upon a determination under section 104 that the nation has taken adequate measures to assure full compliance with the act. A report of each determination under section 303(a) is to be made to the three appropriate committees of the Senate and the Speaker of the House for the three appropriate committees of the House. Section 303(a) would permit economic assistance through the use of any amount of mutual security funds, without regard to the present \$30 million ceiling on assistance to any nation for which the act must be waived, and would also permit assistance through the use of funds of the Export-Import Bank, as well as local currencies accruing to the United States under Public Law 480 sales of surplus agricultural commodities.

Section 303(b) provides that the Administrator of the act, instead of the President, may direct the continuance of assistance to a recipient country if it knowingly permits the shipment of category B items to a nation or area receiving assistance pursuant to a determination under section 303(a). Since the President's determination constitutes the basic finding, the Administrator of the act may appropriately take the action authorized by section 303(b) in accordance with, and in implementation of, the President's determination.

APPENDIX II

EXCERPTS FROM THE 1958 REVISION OF EAST-WEST TRADE CONTROLS
Mutual Defense Assistance Control Act of 1951—12th Report to
Congress, April 20, 1959

THE INTERNATIONAL LIST REVIEW

Review of U.S. economic defense policy

During the period covered in this report, the United States conducted an extensive and careful study of all items under international security export control to the Sino-Soviet bloc. Related problems were also examined. This review preceded an expected meeting of

the Coordinating Committee (COCOM) in Paris, which was subsequently convened for the same purpose.

There was general recognition by the United States and the other 14 nations participating in the multilateral trade control system¹ that the Soviet bloc had made considerable industrial, scientific, and technical progress since the last major revision of the program in 1954.² The awareness of this progress, which had reduced the relative strategic significance of some items under control and had raised the strategic importance of others, prompted the decision by the United States to reexamine and reappraise the cooperative trade control concepts and operations. In accordance with the regular practice, through the established mechanism of the National Security Council, the Council on Foreign Economic Policy, and the Economic Defense Advisory Committee (EDAC), the U.S. Government reexamined the international security controls in all of their aspects throughout 1957.

The opinion prevailed from the outset that the renovation of the control system, in the light of new conditions, would involve both removals from, and additions to, the International Lists.³ The preservation of free-world unity and the maintenance of an effective multilateral security trade control program, were the dominant principles that guided the United States in the detailed and technical review of its economic defense policy.

The careful and systematic study conducted by EDAC, which coordinates interagency activities in the field of international security export controls, concluded that so long as the bloc's objectives remained unchanged and tensions between the free world and the bloc were still acute, there should be no significant changes in the security trade control concepts which had been in effect for several years. EDAC recognized, however, that honest differences of opinion existed among various participating countries with respect to the composition of lists necessary to achieve the mutually agreed strategic objectives. Differing appraisals of technological progress in the bloc gave rise to certain problems in this area. EDAC believed, therefore, that the multilateral program should be adjusted in a manner which would meet changing security demands with minimum disruption of the economies of the countries concerned.

The EDAC review firmly established the desirability of reexamining the International Lists, the criteria used in deciding which items should be included on the lists, and the procedures necessary to continue the effectiveness of these lists. In December 1957 the United States informally suggested that COCOM consider these matters.

COCOM negotiations in Paris

Several member governments, including the United States, submitted recommendations to COCOM early in 1958 for a general re-examination of strategic controls for the purpose of making them

¹ The 15 nations are Belgium, Canada, Denmark, the Federal Republic of Germany, France, Greece, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Turkey, the United Kingdom, and the United States.

² The strategic trade controls of these countries are adjusted and coordinated by the Coordinating Committee (COCOM) and its parent organization, the Consultative Group (CG), which meet in Paris. The structure and functions of the Paris organization were described in the Ninth Battle Act Report: "The Strategic Trade Control System, 1948-1956," especially pp. 17-20.

³ See the Fifth Battle Act Report, "The Revision of Strategic Trade Controls."

⁴ Prior to the 1958 revision there were three International Lists of controlled items—List I (embargo), List II (quantitative or quota control), and List III (surveillance). The 1954 revision reduced the items on List I from about 260 to about 170; List II from some 93 to approximately 20; and List III from about 100 to roughly 60. Only minor alterations were made in the International Lists between 1954 and the second major revision in 1958.

more effective. In certain instances governments presented detailed proposals concerning the review. COCOM agreed in February that the review would be undertaken; it was also agreed that no decision would become final until the Consultative Group (CG) had examined the results.

On March 24 COCOM began its detailed and exhaustive review of 203 items. The complicated technical discussions extended over a period of more than 3 months. The statements made by the COCOM delegates affirmed their sincere desire to contribute to the resolution of the many complex problems that confronted the Committee. The common aim of all parties to seek a solution of problems through a tolerant and amicable approach was accompanied by a firm intention to exert every effort to strengthen the security of the free world.

COCOM was assisted by technicians from all the participating countries. These specialists advised the delegations and engaged in many informal technical discussions on such matters as the capabilities and requirements of the Sino-Soviet bloc for specific items, and their technical characteristics and military uses.

The Consultative Group meeting

A certain number of items remained unresolved at the conclusion of the COCOM review. In accordance with the procedure accepted at the commencement of the review, the CG, composed of representatives at the ministerial level, was convened to resolve these items and to approve the lists in their final form. The CG met in Paris on July 18-19, and succeeded in reconciling most of the unsettled items. The others were referred back to COCOM with instructions as to their resolution.

The net effect of the list review was to narrow the coverage of the international embargo list (IL-I), both through a net reduction in the number of items covered and through a narrowing of the definitions of many other items. Many items were deleted entirely; others were added; and a number of categories were combined.

The watch list

During the CG meeting it was agreed that International Lists II and III (quantitative and surveillance control items) would be abolished, and a new system of secondary control in the form of a watch list would be established. This watch list consists largely of items formerly on International List I (embargo) which, in the opinion of COCOM, are of sufficient importance that their export to the bloc should be maintained under surveillance.

U.S. appraisal of the list revision

The United States regarded the COCOM and CG meetings as a mutual effort to reshape the multilateral export control system in such a way that it would insure the continued and full support of all the participating countries, and at the same time meet the security requirements of the free world. In this objective the meetings succeeded.

U.S. export controls

Following the agreements concluded in Paris, intensive consultations took place within the U.S. Government to determine the changes which would be made in the U.S. Export Control Lists of the Department of Commerce and in the Mutual Defense Assistance Con-

trol Act (Battle Act) Lists, administered by the Department of State. Timing his announcement to coincide with those made in the other COCOM capitals, Secretary of Commerce Weeks announced on August 14 that "significant changes" were being made in U.S. export controls.⁴ "These changes," he said, "will lead to a net reduction of U.S. controls. There will also be additions to the list of controlled commodities as a result of free world scientific and technological progress."

Mr. Weeks pointed out that the agreements concluded at the CG meeting were recommendations to the participating countries for minimum levels of control and that decisions as to the level of U.S. controls would take additional time. It was explained that a revised list of controlled items would be issued in a few months,⁵ following a review by the Government agencies concerned, and that the list would continue to be larger than the International Lists. Mr. Weeks emphasized that the U.S. export control policy of preventing the shipment of goods which would augment the Sino-Soviet military buildup would continue. The total embargo on U.S. trade with Communist China, North Korea, and North Vietnam would remain unchanged. The relaxations in existing licensing policy applicable to European Soviet-bloc destinations did not change the requirement for prior approval of all proposed exports to those destinations regardless of whether the commodities are on the Positive List or not, except for such commodities specifically under general license.

Revision in the Battle Act lists

On September 3 the Department of State announced the revisions in the Battle Act lists which had become effective on August 15. Some new items (military infrared equipment and specialized components, and certain munitions components and materials) embodying recent technological and scientific advances, and whose strategic significance had increased since the 1954 revision, were added. Other items were deleted because of a corresponding decrease in their strategic importance. Some of the items were redefined. The revised unclassified Title I, Category A Battle Act List of embargoed items, consisting of arms, ammunition, implements of war, and atomic energy materials, is printed on pages 12-15 of this report. [See below.] A generalized description of the category B portion of the new embargo list appears on pages 15-17. [See below.]

⁴ See Department of Commerce press release dated Aug. 14, 1958.

⁵ On Nov. 7, the Department of Commerce announced an easing of U.S. controls to friendly countries over a substantial number of commodities which formerly required individual export licenses. Over 250 items were removed from the new Positive List, which went into effect on Nov. 10, leaving more than 700 others, including 80 new items, still subject to individual export licensing control. For details, see Department of Commerce press release dated Nov. 7, 1958, and its Current Export Bulletin No. 806, dated Nov. 10, 1958.

BATTLE ACT TITLE I LIST—CATEGORY A ¹

100-199 Series: Arms, Ammunition, and Implements of War

Item No.	Description
101	Small arms and machine guns, as follows: <ul style="list-style-type: none"> (a) Rifles, carbines, revolvers, pistols, machine pistols, and machine guns designed specifically for military use; (b) All specifically designed components and parts therefor.
102	Artillery, as follows: <ul style="list-style-type: none"> (a) Guns, howitzers, cannon, mortars, tank destroyers, rocket launchers, military flame throwers, recoilless rifles; (b) All specifically designed components and parts for the foregoing.
103	Ammunition, and all specifically designed components and parts thereof, for the weapons enumerated under items 101 and 102.
104	Bombs, torpedoes, rockets, and missiles guided or unguided, as follows: <ul style="list-style-type: none"> (a) Bombs, torpedoes, grenades (including smoke grenades), smoke canisters, rockets, mines, missiles guided or unguided, depth charges, fire bombs, incendiary bombs; and all specifically designed components and parts therefor; (b) Apparatus and devices specifically designed for the handling, control, activation, launching, laying, sweeping, discharging, detonation or detection of items enumerated in subitem (a); and all specifically designed components and parts therefor; (c) Military fuel thickeners, including but not limited to: compounds (e.g., octal) or mixtures of such compounds (e.g., napalm) specifically formulated for the purpose of producing materials which, when added to petroleum products, provide a gel-type incendiary material for use in bombs, projectiles, flame throwers or other implements of war.
105	Fire control equipment and range finders, as follows: <ul style="list-style-type: none"> (a) Fire control, gun laying, night sighting, missile tracking, and guidance equipment; (b) Range, position, and height finders, and spotting instruments specially designed for military purposes; (c) Aiming devices, electronic, gyroscopic, acoustic, and optical, specially designed for military purposes; (d) Bomb sights, bombing computers, gun sights, and periscopes specially designed for military purposes; (e) Television sighting units specially designed for military purposes, and inertial platforms; (f) Components, parts, accessories, and attachments specifically designed for the articles enumerated in subitems (a), (b), (c), (d), and (e) above.
106	Tanks, and vehicles specially designed for military purposes, as follows: <ul style="list-style-type: none"> (a) Tanks and self-propelled guns; (b) Military type armed or armored vehicles, and vehicles fitted with mountings for arms; (c) Armored railway trains; (d) Military half tracks; (e) Military type recovery vehicles; (f) Gun carriers and tractors specially designed for towing artillery; (g) Trailers specifically designed to carry ammunition; (h) Amphibious and deep water fording military vehicles; (i) Military mobile repair shops specifically designed to serve military equipment; (j) All other specially designed military vehicles; (k) All specifically designed components and parts for the foregoing.
107	Toxicological agents, as follows: <ul style="list-style-type: none"> (a) Biological, chemical, and radioactive materials adapted for use in war to produce casualties in men or animals, or to damage crops; (b) Equipment specifically designed and intended for the dissemination of the materials described in subitem (a);

¹ This list was in effect on Jan. 1, 1959, and reflected certain changes made subsequent to the Aug. 15, 1958, revision. In some cases, these changes resulted in the deletion of items from the atomic energy material listing under category A and the incorporation of these items in the classified Title I, Category B List, a generalized description of which is presented in the following section.

16 AMEND THE MUTUAL DEFENSE ASSISTANCE CONTROL ACT

100-199 Series: Arms, Ammunition, and Implements of War—Continued

Item No.	Description
107	<p>Toxicological agents, as follows—Continued</p> <p>(c) Equipment specifically designed and intended for defense against the materials described in subitem (a), and for their detection and identification;</p> <p>(d) Components and parts specially designed for the items listed in (b) and (c) above.</p> <p>(NOTE: Subitem (c) above does not include masks used for protection against specific industrial hazards, such as fumes or powders in mining, quarrying, and chemical plants, and gas masks designed for civilian use.)</p>
108	<p>Powders, explosives and propellants, as follows:</p> <p>(a) Powders and liquid or solid propellants for the articles enumerated in items Nos. 103, 104, and 107;</p> <p>(b) Military high explosives;</p> <p>(c) Chemical base high energy solid or liquid fuels specially formulated for military purposes.</p> <p>(NOTE: Subitems (a) and (b) above will not be considered to cover exports in reasonable quantities of propellants and explosives normally used for civilian or industrial purposes or made up into cartridges or charges of an exclusively civilian or industrial nature.)</p>
109	<p>Vessels of war, and special naval equipment, as follows:</p> <p>(a) Combatant vessels or vessels designed for offensive or defensive action (surface or underwater);</p> <p>(b) (1) Diesel engines of 1,500 h.p. and over with rotary speed of 700 r.p.m. or over specially designed for submarines;</p> <p>(2) Electric motors specially designed for submarines, i.e., over 1,000 h.p. quick reversing type, liquid cooled and totally enclosed;</p> <p>(c) Magnetic, pressure, and acoustic underwater detection devices specially designed for military purposes; controls and components thereof;</p> <p>(d) Submarine and torpedo nets;</p> <p>(e) Components, parts, accessories, and attachments for the foregoing, such as turrets, naval gun mounts, submarine batteries, and catapults.</p>
110	<p>Aircraft and helicopters, of the piloted or pilotless types and aero-engines and aircraft equipment, associated equipment, and components, specially designed for military purposes as set out below:</p> <p>(a) Combat aircraft and other aircraft specially designed for military purposes, including military reconnaissance, assault, military training and logistic support, and all aircraft having special structural features such as multiple hatches, special doors, ramps, reinforced floors and the like, for transporting and air-dropping troops, military equipment and supplies; aero-engines specially designed or adapted for use with such aircraft; and component parts thereof;</p> <p>(b) Airborne equipment, including airborne refuelling equipment, specially designed for use with the aircraft and the engines of the types of aircraft covered by subitem (a) and component parts thereof;</p> <p>(c) Nonexpansive balloons in excess of 3,000 cubic feet capacity.</p>
111	<p>Electronic equipment specially designed for military use; and components and parts therefor.</p>
115	<p>Military infrared equipment and specialized components therefor, n.e.s.</p>
116	<p>Munitions components and materials, as follows:</p> <p>(a) Brass and bronze fabrications for primer anvils, fabrications for bullet cups (gilding metal clad steel), cartridge link, primer cap, shell rotating band;</p> <p>(b) Copper rotating bands for shells, and other copper munitions components;</p> <p>(c) Gilding metal clad steel;</p> <p>(d) Rough steel forgings, steel and alloy castings for guns and for arms.</p>

200-299 Series: Atomic Energy Materials

Item No.	Description
201	Source (fertile), and fissionable materials, as follows: <ol style="list-style-type: none"> Natural uranium, unwrought or wrought, including alloys and compounds of natural uranium, having a uranium content exceeding 0.05 percent, not elsewhere specified, excepting medicinals; Uranium 233, alloys containing uranium 233, and compounds of uranium 233; Uranium enriched in the isotope 235, alloys containing uranium enriched in the isotope 235, and compounds of uranium enriched in the isotope 235; Irradiated uranium, containing plutonium; Plutonium, alloys containing plutonium, and compounds containing plutonium; Thorium, unwrought or wrought, and alloys and compounds containing thorium, not elsewhere specified, excluding alloys containing less than 1.5 percent of thorium by weight, and except medicinals; Irradiated thorium containing uranium 233.
218	Equipment specifically designed for the separation of isotopes of uranium and/or lithium.
222	Ion separators, electromagnetic, including mass spectrographs and mass spectrometers, with analyzer assemblies capable of handling uranium hexafluoride (UF 6), and solid source mass spectrometers or mass spectrographs, of high sensitivity.
224	Positive ion sources suitable for use in mass spectrographs and mass spectrometers and capable of handling uranium hexafluoride (UF 6).
236	Nuclear reactors.

BATTLE ACT TITLE I LIST—CATEGORY B

The following is a generalized description of the category B portion of the title I embargo list, as of January 1, 1959:

Metalworking machinery

Spar millers; machinery for making airplane components.

Larger sizes or more advanced or specialized types of the following: jig boring and grinding machines; deep hole drilling machines and drills; grinding heads and spindle assemblies; right angle and spinning lathes; forging hammers; presses; gear making and finishing machinery; electronic feedback controls for machinery.

Chemical and petroleum equipment

Equipment for the production of military explosives; plant for the production of titanium and zirconium metals.

Important sizes and types of the following: equipment and components for the production or concentration of nitric acid, deuterium oxide, and gases in liquid form; electrolytic cells; pumps, valves, pipe, and tubing; heat exchangers; containers for liquified gases; rock drill bits; centrifuges.

Electric and power generating equipment

Special types of diesel engines and electric power generators.

General industrial equipment

Special types of metal rolling mills, refractory materials, construction equipment, vacuum furnaces, artificial graphite, cable-making machinery, electronic valve-making machinery, compressors and blowers.

Silicon and germanium processing equipment.

Transportation equipment

Various types of ships, including warships and certain sizes of ice-breakers, tankers, fishing vessels, passenger and cargo ships; compasses, gyroscopic equipment, marine steam boilers, and automotive equipment designed or having significance for military use; cable for sweeping mines; significant civil types of aircraft and related ground and airborne equipment.

Electronics and precision instruments

Airborne communication and radar equipment; special types of airborne navigation and direction finding equipment; special types of surface radar equipment and surface equipment for use with airborne navigation equipment; special communications and detection equipment; jamming apparatus; underwater location apparatus; special types of pulse modulators; panoramic radio receivers; equipment for controlling aircraft and missiles; radio spectrum analyzers.

Important types of telegraph equipment; amplifiers; communications transmission equipment and cable; measuring instruments; special electronic instruments; apparatus, components and materials; electronic tubes; electromagnetic waveguides, transistors, crystal diodes, photo cells, and quartz crystals; magnetic recorders; computers; photographic equipment; dosimeters; special communications secrecy equipment; electronic assembly and control equipment; magnetometers; centrifugal testing apparatus; ion microscopes; oscilloscopes.

Metals, minerals, and their manufactures

Zirconium; beryllium; lithium metals; titanium; columbium; cobalt; tantalum; and certain source (fertile) and fissionable materials.

Various steel and nonferrous alloys; important types and products of nickel, magnesium, tungsten, germanium, molybdenum, magnetic materials, and antifriction bearings.

Chemicals and petroleum products

Boron; diethylene triamine; picric acid; nitroguanidine; guanidine nitrate; pentaerythritol tetranitrate; tetrafluoroethylene; trifluoro-chloroethylene; fluorine; deuterium.

Specified types of detonating and priming compositions, hydraulic fluids, stabilizers for explosives, hydrogen peroxide, hydrazine, silicone fluids and greases, silicon, synthetic lubricating oils and greases, blending agents for aircraft fuels, jet fuel.

Rubber and rubber products

Specified forms of synthetic rubber.

Miscellaneous

Synthetic film for dielectric use; specialized military training equipment; specialized machinery for examination, testing and manufacture of military equipment; certain items of dual military and civil use.

BATTLE ACT TITLE II LIST

The Title II List covers the same general categories of items as the Title I Category B List, but the specific items listed are ones of lesser strategic importance.